

FYI – For Your Information

Sales Tax Requirements for Flea Market and Swap Meet Operators

GENERAL INFORMATION

If you are the operator of a flea market or similar facility, you must obtain a Colorado sales tax license and must remit to the Department of Revenue the sales tax charged on items sold by unlicensed flea market vendors. [§39-26-103, C.R.S.]

Obtain a sales tax license in person at any Taxpayer Service Center or visit the Web at www.taxcolorado.com to obtain Form CR 0100 “Colorado Business Registration” and the DR 0099 *Colorado Sales & Use Tax General Information and Reference Guide*, which will instruct you when and how to file your sales tax return. Allow four to six weeks to receive a license in the mail. If you apply for a license in person at one of the Taxpayer Service centers a license number will be issued immediately. The actual license will then be sent to you within two weeks.

At the start of each sales day, you are required to give all licensed and unlicensed vendors a remittance envelope (sample sheet attached), and inform the vendors what the applicable sales tax rate is for the location.

Colorado sales tax and, if applicable, state-collected city, county and Regional Transportation District/Cultural & Scientific Facilities District/Metropolitan Football Stadium District (RTD/CD/FD) and Rural Transportation Authority (RTA) sales taxes must be collected in addition to any other applicable special district taxes. These sales taxes apply to all sales of tangible personal property. If your market is located in a home-rule city such as Denver, you must contact city officials

directly about applicable city taxes and requirements that may apply.

For more information pertaining to special district taxes, tax rates, and home-rule cities see publication DR 1002 “Colorado Sales and Use Tax Rates” located on the Web at www.taxcolorado.com

At the end of each sales day, you must collect from the vendors the envelopes plus the sales tax that was collected by unlicensed vendors. Licensed vendors must remit the tax they collect directly to the DOR.

It is your responsibility to keep a record of the serial numbers of the envelopes used by all vendors. The record shall contain the name and address of the vendor, social security number, date, a vendor’s sales tax license number (if applicable), gross sales and the amount of sales tax collected. All of the above information must be maintained for three years and, during that time, be available for inspection upon request by the Department of Revenue.

As the operator, you may order the remittance envelopes free of charge from the Colorado Department of Revenue Forms Section, 1375 Sherman St., Room 136, Denver, CO 80261; (303) 866-5617. Or you may print your own envelopes provided all the specifications listed on the sample sheet are followed.

UNLICENSED VENDORS

If you are selling items that are your personal possessions, and do not sell or trade more than 5 weekends in a calendar year, you are not required to have a sales



Colorado Department
of Revenue
Taxpayer Service Division
1375 Sherman St.
Denver, Colorado 80261

Forms and other services:
(303) 238-FAST (3278)
Assistance:
(303) 238-SERV (7378)
www.taxcolorado.com

tax license. If, however, you are selling items which you purchased for resale, or you sell or trade more than 5 weekends in a calendar year, you must have a sales tax license. A weekend is defined as Friday through Monday. If you are required to have a license, the section below titled, "Licensed Vendors," applies to you.

If you are not required to have a license, you should collect and remit the tax to the flea market or swap meet operator. Unlicensed vendors are considered to be selling at retail under the license issued to the operator. Should a customer ask to see your sales tax license, he/she should be directed to inspect the license displayed by the facility or event operator.

You should receive a remittance envelope from the operator at the beginning of each day of sales. Complete the requested information on the envelope.

As you make your sales, collect the required amount of sales tax. The operator will tell you the applicable tax rate. At the end of the sales day, return the envelope to the operator with the amount of tax that you collected.

LICENSED VENDORS

If you are selling tangible personal property that you purchased for resale, you are required to obtain a sales tax license from the Colorado Department of Revenue. If you already have a sales tax license for your primary business location, you must still obtain a separate sales tax license if you plan to make separate sales at a flea market or similar event. You must have a sales tax license for each location where you are selling at retail.

The type of license you need depends on whether you plan on selling items at a market once, or all year. If you plan on selling at a market for only a day, you should obtain a single event license by filing a DR 0589 "Vendor Special Event License Application for Single or Multi Events". [§39-26-103(9)(b.5)(III), C.R.S.] If you plan on selling on a regular basis, you will need a standard sales tax license.

Failure to obtain a license is a Class 3 misdemeanor and may result in the imposition of penalties. If you plan on selling only seasonally, you may request to file your sales tax return on a seasonal basis.

You may obtain a sales tax license in person at any Taxpayer Service Center, or visit the Web at www.taxcolorado.com to obtain Form CR 0100 "Colorado Business Registration" and publication DR 0099 ***Colorado Sales & Use Tax General Information and Reference Guide***, which will tell you when and how to file your sales tax return.

Even though you are a licensed vendor, the flea market or swap meet operator will give you a remittance envelope at the beginning of each sales day. Complete the required information on the envelope and provide the operator with your sales tax license number. The operator will tell you the applicable tax rate for that location. You must collect the tax on any sale you make.

At the end of the sales day, return the envelope to the operator, but **do not** remit the sales tax you collected to the operator. Remit the tax directly to the Department of Revenue.

FURTHER INFORMATION

FYIs and commonly used forms are available on the Web at www.taxcolorado.com

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.

REMITTANCE ENVELOPE SPECIFICATIONS

If you print your own remittance envelopes, you must follow these specifications.

Envelope Size — 9 1/2 inches by 4 1/8 inches

Color — White

Kind — Open-end gummed flap

Special Sales Tax Return
for the day of _____ 20____

DR 1659 (04/26/05)
Colorado Department of Revenue
Denver, CO 80261-0013

<p>Note: This information must be completed whether you make taxable sales or not.</p> <p style="text-align: center;">INSTRUCTIONS</p> <p>A. Complete and sign return</p> <p>B. Enclose cash (line 3) and list of sales</p> <p>C. Seal envelope</p> <p>D. Give to Flea Market operator before leaving</p> <p>E. When remitting funds to the flea-market operator, obtain a signed receipt showing the market's name, the date, the amount received and the remitter's name.</p>	<p>1. Total taxable sales \$ _____</p> <p>2. The combined sales tax rate is* \$ _____</p> <p>3. Multiply this rate by the total taxable sales on line 1 \$ _____</p> <p>*Contact the Flea Market operator with any questions regarding the Sales Tax rate.</p> <p>Licensed vendors: Enter "0" above and write your license number here: _____</p> <p><i>I declare this return to be true, correct and complete under penalty of perjury in the second degree.</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Name (please print)</td> <td colspan="2">Signature</td> </tr> <tr> <td>Social Security Number</td> <td colspan="2">Telephone Number</td> </tr> <tr> <td>Address</td> <td>City</td> <td>State Zip</td> </tr> </table>	Name (please print)	Signature		Social Security Number	Telephone Number		Address	City	State Zip
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